

RECEIVED

Willis

June 18, 2011

JUL 21 2011

Risk Management &  
Tort Defense Division

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Fax: 206-386-7960  
Website: [www.willis.com](http://www.willis.com)

Direct Line: 206-386-7496  
Direct Fax: 206-386-7960  
E-mail: [Joyce.Dunn@willis.com](mailto:Joyce.Dunn@willis.com)

Brett Dahl, ARM  
Risk Manager  
State of Montana  
Risk Management & Tort Defense Division  
P.O. Box 200124  
Helena, MT 59620-0124

RE: State of Montana  
Crime Insurance  
Great American Insurance Company  
Policy #: GVT375662611

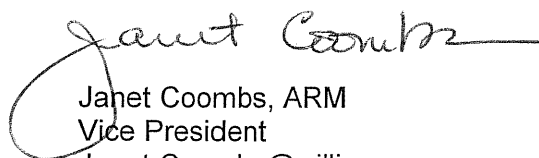
Dear Brett:

Attached is an electronic copy of the above mentioned policy for your files. We have received and reviewed the policy, which sets out the benefits and coverage of the insurance we have placed for you in accordance with your instructions. We recommend that you read the policy very carefully; particularly sections that make references to exclusion/special or unusual conditions, warranties and/or claims notification. If you feel the policy is not consistent with your instructions or you find any errors or discrepancies, please notify us as soon as possible.

*Note: Your original policy is being sent to you via regular mail.*

If you have any questions, please contact me.

Sincerely,

  
Janet Coombs, ARM  
Vice President  
[Janet.Coombs@willis.com](mailto:Janet.Coombs@willis.com)  
206-386-7912



Administrative Offices  
301 E 4th Street  
Cincinnati, Ohio 45202-4201  
Tel: 1-513-369-5000

0015417 GREAT AMERICAN INSURANCE CO

ORIGINAL COPY

**IMPORTANT NOTICE  
FIDELITY CRIME DIVISION CLAIMS**

**Should this account have a potential claim situation, please contact:**

**Fidelity & Crime Claims Department  
Great American Insurance Group  
One Waterside Crossing  
Windsor, CT 06095**

**(860) 298-7330  
(860) 688-8188 fax**

**[CrimeClaims@gaic.com](mailto:CrimeClaims@gaic.com)**



IL 00 17  
(Ed. 11 98)

## COMMON POLICY CONDITIONS

All Coverage Parts included in this Policy are subject to the following conditions.

### A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this Policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this Policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this Policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

### B. Changes

This Policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this Policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this Policy.

### C. Examination of Your Books and Records

We may examine and audit your books and records as they relate to this Policy at any time during the policy period and up to three years afterward.

### D. Inspections and Surveys

1. We have the right to:
  - a. make inspections and surveys at any time;
  - b. give you reports on the conditions we find; and
  - c. recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
  - a. are safe or healthful; or
  - b. comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

**E. Premiums**

The first Named Insured shown in the Declarations:

1. is responsible for the payment of all premiums; and
2. will be the payee for any return premiums we pay.

**F. Transfer of Your Rights and Duties Under this Policy**

Your rights and duties under this Policy may not be transferred without our written con-

sent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

IL 01 67  
(Ed. 09 08)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## MONTANA CHANGES - CONFORMITY WITH STATUTES

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
CRIME AND FIDELITY COVERAGE PART  
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
EQUIPMENT BREAKDOWN COVERAGE PART  
FARM COVERAGE PART  
FARM UMBRELLA LIABILITY POLICY  
LIQUOR LIABILITY COVERAGE PART  
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

**A. The following condition is added:**

Conformity with Montana statutes. The provisions of this Policy or Coverage Part conform to the minimum requirements of Montana law and control over any conflicting statutes of any state in which you reside on or after the effective date of this Policy or Coverage Part.

However, with respect to insurance provided under the **Commercial Automobile Coverage Part**, while a covered "auto" is away from Montana:

1. We will increase the Limit of Insurance for Liability Coverage to meet the limits specified by a compulsory or financial responsibility law of the jurisdiction where the covered "auto" is being used. This ex-

tension does not apply to the limit or limits specified by any law governing motor carriers of passengers or property.

2. We will provide the minimum amounts and types of other coverages, such as no-fault, required of out-of-state vehicles by the jurisdiction where the covered "auto" is being used.

3. No one will be entitled to duplicate payments for the same elements of loss.

- B. Any provision of this Policy or Coverage Part (including endorsements which modify the Policy or Coverage Part) that does not conform to the minimum requirements of a Montana statute is amended to conform to such statute.**



## BUSINESSPRO FORMS AND ENDORSEMENTS SCHEDULE

It is hereby understood and agreed the following forms and endorsements are attached to and are a part of this policy:

	Form and Edition		ST	Date Added* or Date Deleted	Form Description
1.	IL0017	11/98	MT		COMMON POLICY CONDITIONS
2.	IL0167	09/08	MT		MT CHANGES-CONFORMITY WITH STATUTES
3.	IL0180	09/07	MT		MT CHNGS-CONCEAL, MISREP OR FRAUD
4.	IL0243	09/07	MT		MT CHANGES
5.	IL7268	09/09	MT		IN WITNESS CLAUSE
6.					
7.					
8.					
9.					
0.					
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
0.					
1.					
2.					

If not at inception

IL 01 80  
(Ed. 09 07)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**MONTANA CHANGES - CONCEALMENT,  
MISREPRESENTATION OR FRAUD**

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
CRIME AND FIDELITY COVERAGE PART  
EQUIPMENT BREAKDOWN COVERAGE PART  
FARM COVERAGE PART - FARM PROPERTY - OTHER FARM PROVISIONS FORM -  
ADDITIONAL COVERAGES, CONDITIONS, DEFINITIONS  
FARM COVERAGE PART - LIVESTOCK COVERAGE FORM  
FARM COVERAGE PART - MOBILE AGRICULTURAL MACHINERY AND  
EQUIPMENT COVERAGE FORM

The **Concealment, Misrepresentation or Fraud**  
Condition is replaced by the following:

lating to coverage of the loss ("loss") under this  
Policy.

**Concealment, Misrepresentation or Fraud**

We will not pay for loss ("loss") or damage in a  
case of:

We will not pay for any loss ("loss") or damage in  
any case if:

1. concealment or misrepresentation of a ma-  
terial fact; or

1. concealment or misrepresentation of a ma-  
terial fact; or

2. fraud;

2. fraud;

committed by you or any other insured ("insured"),  
whether before or after the loss ("loss") and re-

is committed by you or any other insured ("in-  
sured") in the application for this Policy.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## MONTANA CHANGES

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
CRIME AND FIDELITY COVERAGE PART  
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
EQUIPMENT BREAKDOWN COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

- A.** With respect to other than the **Farm Property - Farm Dwellings, Appurtenant Structures and Household Personal Property Coverage Form**, paragraph 2. of the **Cancellation** Common Policy Condition is replaced by the following:

### 2. Cancellation of Policies

#### a. Midterm Cancellation

We may cancel this Policy based on the provisions below, by mailing or delivering written notice to the first Named Insured at least 10 days before the effective date of cancellation:

- (1) If this Policy has been in effect for less than 60 days, except as provided in paragraph 2.a.(3) below, we may cancel for any reason.
- (2) If this Policy has been in effect for 60 days or more, we may cancel this Policy prior to the expiration of the agreed term or prior to one year from the effective date of the Policy or renewal, whichever is less, only for one or more of the following reasons:

- (a) failure to pay a premium when due;
  - (b) material misrepresentation;
  - (c) substantial change in the risk assumed, except to the extent that we should reasonably have foreseen the change or contemplated the risk in writing the contract;
  - (d) substantial breaches of contractual duties, conditions or warranties;
  - (e) determination by the Commissioner of Insurance that continuation of the Policy would place us in violation of the Montana Insurance Code;
  - (f) financial impairment of us; or
  - (g) such other reasons that are approved by the Commissioner of Insurance.
- (3) If this Policy has been issued for a term longer than one year, and if either the premium is prepaid or an agreed term is guaranteed for additional premium consider-

ation, we may cancel this Policy only for one or more of the reasons stated in paragraph 2.a.(2) above.

#### **b. Anniversary Cancellation**

We may cancel any policy with a term of more than one year by mailing or delivering to the first Named Insured written notice of cancellation at least 45 days before the anniversary date of the Policy. Such cancellation will be effective on the Policy's anniversary date.

**B. With respect to the Farm Property - Farm Dwellings, Appurtenant Structures and Household Personal Property Coverage Form, paragraph 2. of the Cancellation Common Policy Condition is replaced by the following:**

### **2. Cancellation of Policies**

#### **a. Midterm Cancellation**

(1) We may cancel this Policy for nonpayment of premium by mailing or delivering written notice of cancellation to the first Named Insured at least 20 days before the effective date of cancellation.

(2) We may cancel this Policy based on the reason(s) stated in paragraph 2.a.(2)(a) or (2)(b) by mailing or delivering written notice of cancellation to the first Named Insured at least 45 days before the effective date of cancellation:

(a) If this Policy has been in effect for less than 60 days, except as provided in paragraph 2.a.(3), we may cancel for any reason.

(b) If this Policy has been in effect for 60 days or more, we may cancel this Policy prior to the expiration of the agreed term or prior to one year from the effective date of the Policy or renewal, whichever is less, only for one or more of the following reasons:

(i) material misrepresentation;

(ii) substantial change in the risk assumed, except to the extent that we should reasonably have foreseen the change or contemplated the risk in writing the contract;

(iii) substantial breaches of contractual duties, conditions or warranties;

(iv) determination by the Commissioner of Insurance that continuation of the Policy would place us in violation of the Montana Insurance Code;

(v) financial impairment of us; or

(vi) such other reasons that are approved by the Commissioner of Insurance.

(3) If this Policy has been issued for a term longer than one year, and if either the premium is prepaid or an agreed term is guaranteed for additional premium consideration, we may cancel this Policy only for one or more of the reasons stated in paragraph 2.a.(2)(b) by mailing or delivering written notice to the first Named Insured at least 45 days before the effective date of cancellation.

#### **b. Anniversary Cancellation**

We may cancel any policy with a term of more than one year by mailing or delivering to the first Named Insured written notice of cancellation at least 45 days before the anniversary date of the Policy. Such cancellation will be effective on the Policy's anniversary date.

**C. Paragraph 5. of the Cancellation Common Policy Condition is replaced by the following:**

5. If this Policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund. However, when a financed insurance policy is cancelled, we will send any refund due to the premium finance company on a pro rata basis.

**D. Any When We Do Not Renew Condition is deleted.**

The following **When We Do Not Renew** Condition is added:

1. If we elect not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations and agent, if any, a notice of intention not to renew at least 45 days before the agreed expiration date.
2. We need not mail or deliver this notice if:
  - a. you have purchased insurance elsewhere;
  - b. you have accepted replacement coverage;
  - c. you have requested or agreed to non-renewal; or
  - d. this Policy is expressly designated as nonrenewable.



Administrative Offices  
301 E 4th Street  
Cincinnati, Ohio 45202-4201  
Tel: 1-513-369-5000

IL 72 68  
(Ed. 09 09)

### In Witness Clause

In Witness Whereof, we have caused this Policy to be executed and attested, and, if required by state law, this Policy shall not be valid unless countersigned by our authorized representative.

A handwritten signature in black ink, appearing to read "Donald D. L.", followed by a horizontal line.

President

A handwritten signature in black ink, appearing to read "Kara Holley Howell", written in a cursive style.

Secretary



Administrative Offices  
301 E 4th Street  
Cincinnati, Ohio 45202-4201  
Tel: 1-513-369-5000

CR 78 00 (Ed. 01 86)

**Policy No. GVT 375 - 66 - 26 - 11**

**BUSINESSPRO CRIME COVERAGE PART  
DECLARATIONS PAGE**

<b>DAMED INSURED:</b> STATE OF MONTANA	<b>POLICY PERIOD:</b> 07/01/2011 to 07/01/2012
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The Crime Coverage Part consists of this Declarations Form, the Crime General Provisions Form and the Coverage Forms indicated as applicable.

**COVERAGE, LIMITS OF INSURANCE AND DEDUCTIBLE:**

Coverage Form(s) Forming Part of This Coverage Part	Limit of Insurance	Deductible Amount	Premium
FORM O - PUBLIC EMPLOYEE DISHONESTY	\$5,000,000*	\$500,000	INCL
FORM B - FORGERY OR ALTERATION	\$5,000,000	\$500,000	INCL .
FORM C - THEFT, DISAPPEARANCE & DESTRUCTION			
SECTION 1 INSIDE PREMISES	\$5,000,000	\$500,000	INCL .
SECTION 2 OUTSIDE PREMISES	\$5,000,000	\$500,000	INCL .
FORM F - COMPUTER FRAUD	\$5,000,000	\$500,000	INCL .
* INCLUDES FAITHFUL PERFORMANCE SUBLIMIT OF \$2,000,000			
Total			\$70,620 .

## PREMIUM

Premium for This Coverage Part: \$70,620.

Premium shown is payable:      \$ 70,620.      at inception:  
\$ 70,620.

**FORMS AND ENDORSEMENTS** applicable to all Coverage forms and made part of this policy at time of issue are listed on the attached Forms and Endorsements schedule CR 88 01 (01/86).

**CANCELLATION OF PRIOR INSURANCE:**

y acceptance of this Coverage Part, you give us notice cancelling prior Policy  
r Bond Nos. GVT 375-66-26 - 10

cancellation to be effective at the time this Coverage Part becomes effective.



Administrative Offices  
301 E 4th Street  
Cincinnati, Ohio 45202-4201  
Tel: 1-513-369-5000

CR 88 01 (Ed. 01 86)

## BUSINESSPRO FORMS AND ENDORSEMENTS SCHEDULE

It is hereby understood and agreed the following forms and endorsements are attached to and are a part of this policy:

Form and Edition	Date Added* or Date Deleted		ST	Form Description
1. CR1100	04/97	MT		CRIME GENERAL PROVISIONS-DISCOVERY
2. CR0016	10/90	MT		PUBLIC EMPLOYEE DISHONESTY COV FORM
3. CR0003	01/86	MT		FORGERY OR ALTERATION COVERAGE FORM
4. CR0004	10/90	MT		THEFT/DISAPPEARANCE/DESTRUCT COV
5. CR0007	10/90	MT		COMPUTER FRAUD COVERAGE FORM
6. CR1046	01/89	MT		LOSS PAYABLE
7. CR8802	01/86	MT		GENERAL ENDORSEMENT
8. CR8802	01/86	MT		GENERAL ENDORSEMENT
9. CR8802	01/86	MT		GENERAL ENDORSEMENT
0. CR8802	01/86	MT		GENERAL ENDORSEMENT
1. CR8802	01/86	MT		REV TO DUTIES IN THE EVENT OF LOSS
2. CR8802	01/86	MT		EMPLOYEE DISHONESTY COVERAGE FORM
3. CR1004	01/89	MT		EXCLUDE TRADING LOSS
4. CR1044	12/93	MT		ADD FAITHFUL PERFORMANCE OF DUTY
5. CR0218	10/10	MT		MT CHANGES

If not at inception

**CRIME GENERAL PROVISIONS  
(DISCOVERY FORM)**

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is or is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we," "us" and "our" refer to the Company providing this insurance.

Words and phrases in quotation marks are defined in the policy.

Unless stated otherwise in any Crime Coverage Form, Declarations or endorsement, the following General Exclusions, General Conditions and General Definitions apply to all Crime Coverage Forms forming part of this policy.

**A. GENERAL EXCLUSIONS**

We will not pay for loss as specified below:

- 1. Acts Committed by You or Your Partners:** Loss resulting from any dishonest or criminal act committed by you or any of your partners whether acting alone or in collusion with other persons.
- 2. Governmental Action:** Loss resulting from seizure or destruction of property by order of governmental authority.
- 3. Indirect Loss:** Loss that is an indirect result of any act or "occurrence" covered by this insurance including, but not limited to, loss resulting from:
  - a. Your inability to realize income that you would have realized had there been no loss of, or loss from damage to, Covered Property.
  - b. Payment of damages of any type for which you are legally liable. But we will pay compensatory damages arising directly from a loss covered under this insurance.
  - c. Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.
- 4. Legal Expenses:** Expenses related to any legal action.

**5. Nuclear:** Loss resulting from nuclear reaction, nuclear radiation or radioactive contamination, or any related act or incident.

**6. War and Similar Actions:** Loss resulting from war, whether or not declared, war-like action, insurrection, rebellion or revolution, or any related act or incident.

**B. GENERAL CONDITIONS**

**1. Concealment, Misrepresentation or Fraud:** This insurance is void in any case of fraud by you as it relates to this insurance at any time. It is also void if you or any other Insured, at any time, intentionally conceal or misrepresent a material fact concerning:

- a. this insurance;
- b. the Covered Property;
- c. your interest in the Covered Property; or
- d. a claim under this insurance.

**2. Consolidation - Merger:** If through consolidation or merger with, or purchase or acquisition of assets or liabilities of, some other entity:

- a. any additional persons become "employees"; or

- b. you acquire the use and control of any additional "premises";

any insurance afforded for "employees" or "premises" also applies to those additional "employees" or "premises," for acts committed or events occurring within 60 days after the effective date of such consolidation, merger, or purchase or acquisition of assets or liabilities.

You must give us written notice within this 60 day period and obtain our written consent to extend this insurance to such additional "employees" or "premises." Upon obtaining our written consent, you must pay us an additional premium.

If you fail to notify us in writing within this 60 day period, then this insurance shall automatically terminate as to such additional "employees" or "premises."

- 3. **Coverage Extensions:** Unless stated otherwise in the Coverage Form, our liability under any Coverage Extension is part of, not in addition to, the Limit of Insurance applying to the Coverage or Coverage Section.

- 4. **Discovery of Loss:** Discovery of loss occurs when you first become aware of facts which would cause a reasonable person to assume that a loss covered by this insurance has been or will be incurred, even though the exact amount or details of loss may not then be known.

Discovery also occurs when you receive notice of an actual or potential claim against you involving a loss covered under this insurance.

- 5. **Duties in the Event of Loss:** After you discover a loss or a situation that may result in loss of, or loss from damage to, Covered Property you must:

- a. Notify us as soon as possible.
- b. Submit to examination under oath at our request and give us a signed statement of your answers.
- c. Give us a detailed, sworn proof of loss within 120 days.

- d. Cooperate with us in the investigation and settlement of any claim.

- 6. **Extended Period to Discover Loss:** We will pay for loss that you sustained prior to the effective date of termination or cancellation of this insurance, which is discovered by you no later than 60 days from the date of that termination or cancellation.

However, this extended period to discover loss terminates immediately upon the effective date of any other similar insurance obtained by you that covers the loss in whole or in part.

## 7. Joint Insured

- a. If more than one Insured is named in the Declarations, the first Named Insured will act for itself and for every other Insured for all purposes of this insurance. If the first Named Insured ceases to be covered, then the next Named Insured will become the first Named Insured.
- b. If any Insured or partner or officer of that Insured has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every Insured.
- c. An "employee" of any Insured is considered to be an "employee" of every Insured.
- d. If this insurance or any of its coverages is cancelled or terminated as to any Insured, loss sustained by that Insured is covered only if discovered no later than 60 days from the date of that cancellation or termination.

However, this extended period to discover loss terminates as to that Insured immediately upon the effective date of any other similar insurance obtained by that Insured that covers the loss in whole or in part.



- e. We will not pay more for loss sustained by more than one Insured than the amount we would pay if all the loss had been sustained by one Insured.

**8. Legal Action Against Us:** You may not bring any legal action against us involving loss:

- a. unless you have complied with all the terms of this insurance; and
- b. until 90 days after you have filed proof of loss with us; and
- c. unless brought within 2 years from the date you discover the loss.

**9. Liberalization:** If we adopt any revision that would broaden the coverage under this insurance without additional premium within 45 days prior to or during the Policy Period, the broadened coverage will immediately apply to this insurance.

**10. Loss Covered Under More Than One Coverage of This Insurance:** If two or more coverages of this insurance apply to the same loss, we will pay the lesser of:

- a. the actual amount of loss; or
- b. the sum of the Limits of Insurance applicable to those coverages.

**11. Non-Cumulation of Limit of Insurance:** Regardless of the number of years this insurance remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.

**12. Other Insurance:** This insurance does not apply to loss recoverable or recovered under other insurance or indemnity. However, if the limit of the other insurance or indemnity is insufficient to cover the entire amount of the loss, this insurance will apply to that part of the loss, other than that falling within any Deductible Amount, not recoverable or recovered under the other insurance or indemnity. However, this insurance will not apply to the amount

of loss that is more than the applicable Limit of Insurance shown in the Declarations.

**13. Ownership of Property; Interests Covered:** The property covered under this insurance is limited to property:

- a. that you own or hold; or
- b. for which you are legally liable.

However, this insurance is for your benefit only. It provides no rights or benefits to any other person or organization.

**14. Policy Period:**

- a. The Policy Period is shown in the Declarations.
- b. Subject to the **Discovery of Loss** Condition, we will pay for loss that you sustain through acts committed or events occurring at any time and discovered by you during the Policy Period.

**15. Records:** You must keep records of all Covered Property so we can verify the amount of any loss.

**16. Recoveries:**

- a. Any recoveries, less the cost of obtaining them, made after settlement of loss covered by this insurance will be distributed as follows:

- (1) to you, until you are reimbursed for any loss that you sustain that exceeds the Limit of Insurance and the Deductible Amount, if any;
- (2) then to us, until we are reimbursed for the settlement made;
- (3) then to you, until you are reimbursed for that part of the loss equal to the Deductible Amount, if any.

- b. Recoveries do not include any recovery:

- (1) from insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or
- (2) of original "securities" after duplicates of them have been issued.

**17. Territory:** This insurance covers only acts committed or events occurring within the United States of America, U.S. Virgin Islands, Puerto Rico, Canal Zone, or Canada.

**18. Transfer of Your Rights of Recovery Against Others to Us:** You must transfer to us all your rights of recovery against any person or organization for any loss you sustained and for which we have paid or settled. You must also do everything necessary to secure those rights and do nothing after loss to impair them.

**19. Valuation--Settlement:**

a. Subject to the applicable **Limit of Insurance** Provision we will pay for:

- (1) Loss of "money" but only up to and including its face value. We may, at our option, pay for loss of "money" issued by any country other than the United States of America:

- (a) at face value in the "money" issued by that country; or

- (b) in the United States of America dollar equivalent determined by the rate of exchange on the day the loss was discovered.

- (2) Loss of "securities" but only up to and including their value at the close of business on the day the loss was discovered. We may, at our option:

- (a) pay the value of such "securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those "securities"; or

- (b) pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities." However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:

- i. value of the "securities" at the close of business on the day the loss was discovered; or

- ii. Limit of Insurance.

- (3) Loss of, or loss from damage to, "property other than money and securities" or loss from damage to the "premises" for not more than the:

- (a) actual cash value of the property on the day the loss was discovered;

- (b) cost of repairing the property or "premises"; or

- (c) cost of replacing the property with property of like kind and quality.

We may, at our option, pay the actual cash value of the property or repair or replace it.

If we cannot agree with you upon the actual cash value or the cost of repair or replacement, the value or cost will be determined by arbitration.

- b. We may, at our option, pay for loss of, or loss from damage to, property other than "money";

- (1) in the "money" of the country in which the loss occurred; or

- (2) in the United States of America dollar equivalent of the "money" of the country in which the loss

occurred determined by the rate of exchange on the day the loss was discovered.

- c. Any property that we pay for or replace becomes our property.

## C. GENERAL DEFINITIONS

### 1. "Employee" means:

#### a. Any natural person:

- (1) while in your service (and for 30 days after termination of service); and
- (2) whom you compensate directly by salary, wages or commissions; and
- (3) whom you have the right to direct and control while performing services for you; or

#### b. Any natural person who is furnished to you to:

- (1) substitute for a permanent "employee" on leave; or
- (2) meet seasonal or short-term workload conditions;

while that person is subject to your direction and control and performing services for you excluding, however, any such person while having care and custody of property outside the "premises."

But "employee" does not mean any:

- (1) agent, broker, person leased to you by a labor leasing firm, factor, commission merchant, consignee, independent contractor or representative of the same general character; or

- (2) director or trustee except while performing acts coming within the scope of the usual duties of an employee.

### 2. "Money" means:

- a. currency, coins and bank notes in current use and having a face value; and
- b. travelers checks, register checks and money orders held for sale to the public.

### 3. "Property Other Than Money and Securities" means any tangible property other than "money" and "securities" that has intrinsic value but does not include any property listed in any Crime Coverage Form as Property Not Covered.

### 4. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:

- a. tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
- b. evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include "money."

CR 00 16  
(Ed. 10 90)  
Coverage Form O

## PUBLIC EMPLOYEE DISHONESTY COVERAGE FORM

### A. COVERAGE

We will pay for loss of, and loss from damage to, Covered Property resulting directly from the Covered Cause of Loss.

1. **Covered Property:** "Money," "securities," and "property other than money and securities."
2. **Covered Cause of Loss:** "Employee dishonesty."
3. **Coverage Extension:**

**Employees Temporarily Outside Coverage Territory:** We will pay for loss caused by any "employee" while temporarily outside the territory specified in the Territory General Condition for a period not more than 90 days.

### B. LIMIT OF INSURANCE

The most we will pay for loss in any one "occurrence" is the applicable Limit of Insurance shown in the **Declarations**.

### C. DEDUCTIBLE

1. We will not pay for loss in any one "occurrence" unless the amount of loss exceeds the Deductible Amount shown in the **Declarations**. We will then pay the amount of loss in excess of the Deductible Amount, up to the Limit of Insurance.
2. You must:
  - a. Give us notice as soon as possible of any loss of the type insured under this Coverage Form even though it falls entirely within the Deductible Amount.
  - b. Upon our request, give us a statement describing the loss.

### D. ADDITIONAL EXCLUSIONS, CONDITIONS

**AND DEFINITIONS:** In addition to the provisions in the Crime General Provisions Form, this Coverage Form is subject to the following:

1. **Additional Exclusions:** We will not pay for loss or damages as specified below:
  - a. **Employee Cancelled Under Prior Insurance:** loss caused by any "employee" of yours, or predecessor in interest of yours, for whom similar prior insurance has been cancelled and not reinstated since the last such cancellation.
  - b. **Inventory Shortages:** loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:
    - (1) an inventory computation; or
    - (2) a profit and loss computation.
  - c. **Bonded Employee:** loss caused by any "employee" required by law to be individually bonded.
  - d. **Treasurer or Tax Collector:** loss caused by a treasurer or tax collector by whatever name known.
  - e. **Damages:** damages for which you are legally liable as a result of:
    - (1) the deprivation or violation of the civil rights of any person by an "employee"; or
    - (2) the tortious conduct of an "employee," except conversion of property of other parties held by you in any capacity.

## 2. Additional Conditions

### a. Cancellation As To Any Employee:

This insurance is cancelled as to any "employee":

- (1) Immediately upon discovery by you or any official or employee authorized to manage, govern or control your employees, of any dishonest act committed by that "employee" whether before or after becoming employed by you.
- (2) On the date specified in a notice mailed to you. That date will be at least 30 days after the date of mailing.

The mailing of notice to you at the last mailing address known to us will be sufficient proof of notice. Delivery of notice is the same as mailing.

- b. **Sole Benefit:** This insurance is for your sole benefit. No legal proceeding of any kind to recover on account of loss under this coverage may be brought by anyone other than you.
- c. **Indemnification:** We will indemnify any of your officials who are required by law to give bonds for the faithful performance of their service against

loss through dishonest acts of persons who serve under them, subject to the Limit of Insurance.

## 3. Additional Definitions

- a. **"Employee Dishonesty"** in paragraph A.2. means only dishonest acts committed by an "employee," whether identified or not, acting alone or in collusion with other persons, with the manifest intent to:
  - (1) cause you to sustain loss; and also
  - (2) obtain financial benefit (other than employee benefits earned in the normal course of employment, including: salaries, commissions, fees, bonuses, promotions, awards, profit sharing or pensions) for:
    - (a) the "employee"; or
    - (b) any person or organization intended by the "employee" to receive that benefit.

- b. **"Occurrence"** means all loss caused by, or involving, one or more "employees," whether the result of a single act or series of acts.

**FORGERY OR ALTERATION COVERAGE FORM****A. COVERAGE**

We will pay for loss involving Covered Instruments resulting directly from the Covered Causes of Loss.

- 1. COVERED INSTRUMENTS:** Checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are:

- a. Made or drawn by or drawn upon you;
- b. Made or drawn by one acting as your agent; or that are purported to have been so made or drawn.

- 2. COVERED CAUSES OF LOSS:** Forgery or alteration of, on or in any Covered Instrument.

**3. COVERAGE EXTENSION**

**Legal Expenses:** If you are sued for refusing to pay any Covered Instrument on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense. The amount we will pay under this extension is in addition to the Limit of Insurance applicable to this insurance.

**B. LIMIT OF INSURANCE**

The most we will pay for loss in any one "occurrence" is the applicable Limit of Insurance shown in the Declarations.

**C. DEDUCTIBLE**

We will not pay for loss in any one "occurrence" unless the amount of loss exceeds the Deductible Amount shown in the Declarations. We will then pay the amount of loss in excess of the Deductible Amount, up to the Limit of Insurance. This provision does not apply to legal expenses paid under the Coverage Extension.

**D. ADDITIONAL EXCLUSION, CONDITIONS AND DEFINITION**

In addition to the provisions in the Crime General Provisions Form, this Coverage Form is also subject to the following:

**1. Additional Exclusion:**

**Acts of Employees, Directors, or Trustees:** We will not pay for loss resulting from any dishonest or criminal act committed by any of your "employees," directors, or trustees:

- a. Whether acting alone or in collusion with other persons;
- or
- b. Whether while performing services for you or otherwise.

**2. Additional Conditions:**

- a. **Facsimile Signatures:** We will treat mechanically reproduced facsimile signatures the same as handwritten signatures.
- b. **General Amendment:** As respects this Coverage Form, the words Covered Property in the Crime General Provisions Form means Covered Instruments.
- c. **Proof of Loss:** You must include with your proof of loss any instrument involved in that loss, or, if that is not possible, an affidavit setting forth the amount and cause of loss.
- d. **Territory:** We will cover loss you sustain anywhere in the world.

The Territory General Condition does not apply to this Coverage Form.

**3. Additional Definition:**

**"Occurrence"** means all loss caused by any person or in which that person is involved, whether the loss involves one or more instruments.

CR 00 04

(Ed. 10 90)

Coverage Form C

**THEFT, DISAPPEARANCE AND DESTRUCTION COVERAGE FORM**

**A. COVERAGE** - We will pay for loss of Covered Property resulting directly from the Covered Causes of Loss.

**1. Section 1. - Inside The Premises**

**a. Covered Property:** "Money" and "securities" inside the "premises" or a "banking premises."

**b. Covered Causes of Loss**

- (1) "Theft"
- (2) Disappearance
- (3) Destruction

**c. Coverage Extentions**

**(1) Containers of Covered Property:** We will pay for loss of, and loss from damage to, a locked safe, vault, cash register, cash box or cash drawer located in the "premises" resulting directly from an actual or attempted:

- (a) "theft" of; or
- (b) unlawful entry into

those containers.

**(2) Premises Damage:** We will pay for loss from damage to the "premises" or its exterior resulting directly from an actual or attempted "theft" of Covered Property if you are the owner of the "premises" or are liable for damage to it.

**2. Section 2. - Outside the Premises**

**a. Covered Property:** "Money" and "securities" outside the "premises" in the care and custody of a "messenger."

**b. Covered Causes of Loss**

- (1) "Theft"

(2) Disappearance

(3) Destruction

**c. Coverage Extension**

**Conveyance of Property By Armored Motor Vehicle Company:** We will pay for loss of Covered Property resulting directly from the Covered Causes of Loss while outside the "premises" in the care and custody of an armored motor vehicle company.

But, we will pay only for the amount of loss that you cannot recover:

- (1) under your contract with the armored motor vehicle company; and
- (2) from any insurance or indemnity carried by, or for the benefit of customers of, the armored motor vehicle company.

**B. LIMIT OF INSURANCE**

The most we will pay for loss in any one "occurrence" is the applicable Limit of Insurance shown in the **Declarations**.

**C. DEDUCTIBLE**

We will not pay for loss in any one "occurrence" unless the amount of loss exceeds the Deductible Amount shown in the **Declarations**. We will then pay the amount of loss in excess of the Deductible Amount, up to the Limit of Insurance. In the event more than one Deductible Amount could apply to the loss, only the highest Deductible Amount may be applied.

**D. ADDITIONAL EXCLUSIONS, CONDITIONS AND DEFINITIONS:** In addition to the provisions in the Crime General Provisions, this Coverage Form is subject to the following:

- 1. Additional Exclusions:** We will not pay for loss as specified below:

a. **Accounting or Arithmetical Errors or Omissions:** Loss resulting from accounting or arithmetical errors or omissions.

b. **Acts of Employees, Directors, Trustees or Representatives:** Loss resulting from any dishonest or criminal act committed by any of your "employees," directors, trustees or authorized representatives:

(1) acting alone or in collusion with other persons; or

(2) while performing services for you or otherwise.

c. **Exchanges or Purchases:** Loss resulting from the giving or surrendering of property in any exchange or purchase.

d. **Fire:** Loss from damage to the "premises" resulting from fire, however caused.

e. **Money Operated Devices:** Loss of property contained in any money operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.

f. **Transfer or Surrender of Property**

(1) Loss of property after it has been transferred or surrendered to a person or place outside the "premises" or "banking premises":

(a) On the basis of unauthorized instructions; or

(b) As a result of a threat to do:

i. bodily harm to any person; or

ii. damage to any property.

(2) But, this exclusion does not apply under **Coverage**, Section 2. to loss of Covered Property while outside the "premises" or "banking premises" in the care and custody of a "messenger" if you:

(a) had no knowledge of any threat at the time the conveyance began; or

(b) had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.

g. **Vandalism:** Loss from damage to the "premises" or its exterior or to containers of Covered Property by vandalism or malicious mischief.

h. **Voluntary Parting of Title to or Possession of Property:** Loss resulting from your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

## 2. Additional Condition

**Duties in the Event of Loss:** If you have reason to believe that any loss of, or loss from damage to, Covered Property involves a violation of law, you must notify the police.

## 3. Additional Definitions

a. **"Banking Premises"** means the interior of that portion of any building occupied by a banking institution or similar safe depository.

b. **"Messenger"** means you, any of your partners or any "employee" while having care and custody of the property outside the "premises."

c. **"Occurrence"** means an:

(1) act or series of related acts involving one or more persons; or

(2) act or event, or a series of related acts or events not involving any person.

d. **"Premises"** means the interior of that portion of any building you occupy in conducting your business.

e. **"Theft"** means any act of stealing.



CR 00 07

(Ed. 10 90)

Coverage Form F

**COMPUTER FRAUD COVERAGE FORM**

**A. COVERAGE** – We will pay for loss of, and loss from damage to, Covered Property resulting directly from the Covered Causes of Loss.

**1. Covered Property:** "Money," "Securities" and "Property Other Than Money and Securities."

**2. Covered Cause of Loss:** "Computer Fraud."

(2) while performing services for you or otherwise.

**b. Inventory Shortages:** Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

(1) an inventory computation; or

(2) a profit and loss computation.

**B. LIMIT OF INSURANCE**

The most we will pay for loss in any one "occurrence" is the applicable Limit of Insurance shown in the **Declarations**.

**C. DEDUCTIBLE**

We will not pay for loss in any one "occurrence" unless the amount of loss exceeds the Deductible Amount in the **Declarations**. We will then pay the amount of loss in excess of the Deductible Amount, up to the Limit of Insurance. In the event more than one Deductible Amount could apply to the loss, only the highest Deductible Amount may be applied.

**D. ADDITIONAL EXCLUSIONS, CONDITIONS AND DEFINITIONS:** In addition to the provisions in the Crime General Provisions, this Coverage Form is subject to the following:

**1. Additional Exclusions:** We will not pay for loss as specified below:

**a. Acts of Employees, Directors, Trustees or Representatives:** Loss resulting from any dishonest or criminal act committed by any of your "employees," directors, trustees or authorized representatives:

(1) acting alone or in collusion with other persons; or

**2. Additional Conditions:**

**a. Duties in the Event of Loss:** If you have reason to believe that any loss of, or loss from damage to, Covered Property involves a violation of law, you must notify the police.

**b. Special Limit of Insurance for Specified Property:** We will only pay up to \$5,000 for any one "occurrence" of loss of, and loss from damage to, manuscripts, drawings, or records of any kind or the cost of reconstructing them or reproducing any information contained in them.

**3. Additional Definitions:**

**a. "Banking Premises"** means the interior of that portion of any building occupied by a banking institution or similar safe depository.

**b. "Computer Fraud"** means "theft" of property following and directly related to the use of any computer to fraudulently cause a transfer of that property from inside the "premises" or "banking premises" to a person (other than a "messenger") outside those "premises" or to a place outside those "premises."

c. **"Messenger"** means you, any of your partners or any "employee" while having care and custody of the property outside the "premises."

e. **"Premises"** means the interior of that portion of any building you occupy in conducting your business.

f. **"Theft"** means any act of stealing.

d. **"Occurrence"** means an:

- (1) act or series of related acts involving one or more persons; or
- (2) act or event, or a series of related acts or events not involving any person.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### LOSS PAYABLE

This endorsement applies only to Coverage Form A (    )  
Coverage Form O ( X )  
Coverage Form P (    )

#### A. PROVISIONS

You agree that any loss payable under the Coverage Form indicated above shall be paid to the Loss Payee designated below:

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ATIMA

---

(Name of Loss Payee)

UMB PLAZA, 670 BROADWAY  
DENVER, CO 80202-4801

---

(Address of Loss Payee)

and any such payment shall constitute payment to you. We agree that we will make all such payments to the Loss Payee, and we will not make any payment solely to you unless we receive a request in writing from the Loss Payee to make such payment to you.

B. Our liability under the Coverage Form indicated above as extended by this endorsement shall not be cumulative.

C. No rights or benefits are bestowed on the Loss Payee other than payment of loss as set forth herein.



Administrative Offices  
301 E 4th Street  
Cincinnati, Ohio 45202-4201  
Tel: 1-513-369-5000

## BUSINESSPRO GENERAL ENDORSEMENT

ENDORSEMENT NO. 1

THIS ENDORSEMENT APPLIES TO ALL CRIME COVERAGE FORMS DESIGNATED IN THE DECLARATIONS.

THE COMPLETE ADDRESS OF THE NAMED INSURED OF THE ATTACHED POLICY IS:

C/O RISK MANAGEMENT AND TORT DEFENSE DIVISION  
1625 11TH AVENUE  
P.O. BOX 200124  
HELENA, MT 59620-0124



Administrative Offices  
301 E 4th Street  
Cincinnati, Ohio 45202-4201  
Tel: 1-513-369-5000

CR 88 02 (Ed. 01/86)

**BUSINESSPRO® GENERAL ENDORSEMENT**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ENDORSEMENT NO. 2****REVISION TO DUTIES IN THE EVENT OF LOSS**

**Section B.4. GENERAL CONDITIONS** Duties in the Event of Loss is amended as follows:

- From:** After you discover a loss or a situation that may result in a loss of, or loss from damage to, covered property you must:
- To:** After the risk management department and/or corporate legal department discovers a loss or a situation that may result in loss of, or loss from damage to, covered property the risk management department and/or corporate legal department must:



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**BUSINESSPRO® GENERAL ENDORSEMENT**

**ENDORSEMENT NO. 3**

This endorsement applies to the **Employee Dishonesty Coverage Form O**

Items **D.1.c.** and **d.** are deleted.



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## BUSINESSPRO GENERAL ENDORSEMENT

ENDORSEMENT NO. 4

INCREASE LIMIT OF INSURANCE FOR SPECIFIED PERIODS

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

COVERAGE FORM

TITLE

( X ) F

COMPUTER FRAUD AND WIRE FUNDS TRANSFER COVERAGE

SCHEDULE

DESIGNATED PERIOD

(12:01 A.M. FOR EACH DATE)

FROM	TO	COVERAGE FORM LETTER	LIMIT OF INSURANCE	
			FROM	TO
7/6/2011	7/7/2011	F	\$ 5,000,000	\$ 17,000,000
			\$	\$
			\$	\$
			\$	\$
			\$	\$
			\$	\$
			\$	\$

### A. PROVISIONS

THE LIMIT OF INSURANCE IS INCREASED FOR THE DESIGNATED PERIOD SHOWN IN THE SCHEDULE.



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## BUSINESSPRO GENERAL ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ENDORSEMENT NO. 5

### WIRE FUNDS TRANSFER FRAUD COVERAGE

COVERAGE FORM F COMPUTER FRAUD IS AMENDED WITH THE ADDITION OF THE FOLLOWING COVERED CAUSE OF LOSS FOR THE DESIGNATED PERIOD SHOWN IN THE SCHEDULE PER ENDORSEMENT NO. 4:

#### WIRE FUNDS TRANSFER FRAUD COVERAGE

SECTION A.2. IS DELETED AND REPLACED WITH THE FOLLOWING:

2. COVERED CAUSE OF LOSS: "COMPUTER FRAUD" AND "WIRE FUNDS TRANSFER FRAUD."

SECTION D.1. ADDITIONAL EXCLUSIONS IS AMENDED WITH THE FOLLOWING ADDITION:

#### C. TRANSFER OR SURRENDER OF PROPERTY:

- (1) LOSS OF, OR LOSS FROM DAMAGE TO, PROPERTY AFTER IT HAS BEEN TRANSFERRED OR SURRENDERED TO A PERSON OR PLACE OUTSIDE THE "PREMISES" AS A RESULT OF A THREAT TO DO BODILY HARM TO ANY PERSON OR DAMAGE TO ANY PROPERTY.

#### D. LOSS RESULTING FROM ACCOUNTING OR ARITHMETICAL ERRORS OR OMISSIONS

#### E. LOSS OF COMPUTER TIME OR USE.

SECTION D.2. ADDITIONAL CONDITIONS IS AMENDED WITH THE FOLLOWING CHANGES:

SECTION A. IS DELETED AND REPLACED WITH THE FOLLOWING:

- A. DUTIES IN THE EVENT OF LOSS: IF YOU HAVE REASON TO BELIEVE THAT ANY LOSS OF, OR LOSS FROM DAMAGE TO, COVERED PROPERTY INVOLVES A VIOLATION OF LAW, YOU MUST NOTIFY THE POLICE AND THE "FINANCIAL INSTITUTION" THAT HANDLES YOUR "TRANSFER ACCOUNT" AS SOON AS POSSIBLE.

SECTION C. IS ADDED:

- C. TRANSFER AGREEMENT: YOU WILL MAINTAIN A WRITTEN AGREEMENT WITH ANY "FINANCIAL INSTITUTION" AUTHORIZED TO TRANSFER COVERED PROPERTY AT YOUR REQUEST.

SECTION D.3. ADDITIONAL DEFINITIONS IS AMENDED WITH THE FOLLOWING ADDITIONAL DEFINITIONS:

- G. "BANKING PREMISES" MEANS THE INTERIOR OF THAT PORTION OF ANY BUILDING OCCUPIED BY A BANKING INSTITUTION OR SIMILAR SAFE DEPOSITORY.
- H. "TRANSFER ACCOUNT" MEANS AN ACCOUNT MAINTAINED BY YOU AT A "FINANCIAL INSTITUTION" FROM WHICH YOU CAN INITIATE THE TRANSFER, PAYMENT OR DELIVERY OF "MONEY" OR "SECURITIES":
- (1) BY MEANS OF ELECTRONIC, TELEGRAPHIC, CABLE, TELETYPE, FACSIMILE OR OR TELEPHONE INSTRUCTIONS COMMUNICATED DIRECTLY OR THROUGH AN





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## BUSINESSPRO GENERAL ENDORSEMENT

ENDORSEMENT NO. 5 CONT'D

ELECTRONIC FUNDS TRANSFER SYSTEM, OR

- (2) BY MEANS OF WRITTEN INSTRUCTIONS (OTHER THAN THOSE DESCRIBED IN COVERAGE FORM B ) ESTABLISHING THE CONDITIONS UNDER WHICH SUCH TRANSFERS ARE TO BE INITIATED BY SUCH "FINANCIAL INSTITUTION" THROUGH AN ELECTRONIC FUNDS TRANSFER SYSTEM.

I. "FINANCIAL INSTITUTION" MEANS:

- (1) A BANKING, SAVINGS OR THRIFT INSTITUTION, OR
- (2) A STOCK BROKER, MUTUAL FUND, LIQUID ASSETS FUND OR SIMILAR INVESTMENT INSTITUTION;

AT WHICH YOU MAINTAIN A "TRANSFER ACCOUNT."

J. "WIRE FUNDS TRANSFER FRAUD" MEANS:

- (1) FRAUDULENT ELECTRONIC, TELEGRAPHIC, CABLE, TELETYPE, FACSIMILE OR TELEPHONE INSTRUCTIONS ISSUED TO A "FINANCIAL INSTITUTION" DIRECTING SUCH INSTITUTION TO DEBIT A "TRANSFER ACCOUNT" AND TO TRANSFER, PAY OR DELIVER "MONEY" OR "SECURITIES" FROM SUCH "TRANSFER ACCOUNT" WHICH INSTRUCTIONS PURPORTED TO HAVE BEEN TRANSMITTED BY YOU BUT WERE IN FACT FRAUDULENTLY TRANSMITTED BY SOMEONE OTHER THAN YOU WITHOUT YOUR KNOWLEDGE OR CONSENT, OR
- (2) FRAUDULENT WRITTEN INSTRUCTIONS (OTHER THAN THOSE DESCRIBED IN COVERAGE FORM B ) ISSUED TO A "FINANCIAL INSTITUTION" DIRECTING SUCH INSTITUTION TO DEBIT A "TRANSFER ACCOUNT" BY USE OF AN ELECTRONIC FUNDS TRANSFER SYSTEM AT SPECIFIED INTERVALS OR UNDER SPECIFIED CONDITIONS WHICH INSTRUCTIONS PURPORTED TO HAVE BEEN ISSUED BY YOU BUT WERE IN FACT FRAUDULENTLY ISSUED, FORGED OR ALTERED BY SOMEONE OTHER THAN YOU WITHOUT YOUR KNOWLEDGE OR CONSENT.

**CR 10 04**  
(Ed. 01 89)

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUDE TRADING LOSS**

This endorsement applies to **EMPLOYEE DISHONESTY COVERAGE FORM A** or **PUBLIC EMPLOYEE DISHONESTY COVERAGE FORM O** or **P**.

**PROVISIONS**

We will not pay for loss resulting directly or indirectly from trading, whether in your name or in a genuine or fictitious account.

CR 10 04 (Ed. 01/89) XS

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### ADD FAITHFUL PERFORMANCE OF DUTY

This endorsement applies only to PUBLIC EMPLOYEE DISHONESTY COVERAGE FORM O. or P.

#### PROVISIONS

1. The following is added as a Covered Cause of Loss:

Failure of any "employee" to faithfully perform his or her duties as prescribed by law, when such failure has as its direct and immediate result a loss of your Covered Property.

2. The following Additional Exclusion is added:

**Depository Failure:** loss resulting from the failure of any entity acting as a depository for your property or property for which you are responsible.

3. Part 2.a.(1) of the Coverage Form is deleted and the following substituted:

Immediately upon discovery by you or any official or employee authorized to manage, govern or control your employees of any act on the part of an "employee" whether before or after becoming employed by you which would constitute a loss covered under the terms of this Coverage Form, as amended by this endorsement.

4. Part 2.c. of the Coverage Form is deleted and the following substituted:

**Indemnification:** We will indemnify any of your officials who are required by law to give bonds for the faithful performance of their service against loss through the failure of any "employee" under the supervision of that official to faithfully perform his or her duties as prescribed by law, when such failure has as its direct and immediate result a loss of your Covered Property.

**CR 02 18**  
(Ed. 10 10)

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **MONTANA CHANGES**

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME POLICY  
EMPLOYEE THEFT AND FORGERY POLICY  
GOVERNMENT CRIME POLICY  
GOVERNMENT EMPLOYEE THEFT AND FORGERY POLICY  
KIDNAP/RANSOM AND EXTORTION POLICY

Paragraphs **A.**, **B.** and **C.** apply only to the **Commercial Crime Policy, Employee Theft and Forgery Policy, Government Employee Theft and Forgery Policy, Government Crime Policy and Kidnap/Ransom and Extortion Policy.**

**A.** Paragraph **(2)** of the **Cancellation of Policy** Condition is replaced by the following:

### **(2) Cancellation of Policies**

#### **(a) Midterm Cancellation**

We may cancel this Policy based on the provisions below, by mailing or delivering written notice to the first Named Insured at least 10 days before the effective date of cancellation:

(i) If this Policy has been in effect for less than 60 days, except as provided in paragraph **(2)(a)(iii)**, we may cancel for any reason.

(ii) If this Policy has been in effect for 60 days or more, we may cancel this Policy prior to the expiration of the agreed term or prior to one year from the effective date of the Policy or renewal, whichever is less, only for one or more of the following reasons:

i. failure to pay a premium when due;

ii. material misrepresentation;

iii. substantial change in the risk assumed, except to the extent that we should reasonably have foreseen the change or contemplated the risk in writing the contract;

iv. substantial breaches of contractual duties, conditions or warranties;

v. determination by the Commissioner of Insurance that continuation of the Policy would place us in violation of the Montana Insurance Code;

vi. financial impairment of us; or

vii. such other reasons that are approved by the Commissioner of Insurance.

(iii) If this Policy has been issued for a term longer than one year, and if either the premium is prepaid or an agreed term is guaranteed for additional premium consideration, we may cancel this Policy only for one or more of the reasons stated in paragraph **(2)(a)(ii)**.

#### **(b) Anniversary Cancellation**

We may cancel any policy with a term of more than one year by mailing or delivering to the first Named Insured written notice of cancellation at least 45 days before the anniversary date

of the Policy. Such cancellation will be effective on the Policy's anniversary date.

**B. Paragraph (5) of the Cancellation of Policy Condition is replaced by the following:**

- (5) If this Policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund. However, when a financed insurance policy is cancelled, we will send any refund due to the premium finance company on a pro rata basis.

**C. The following is added and supersedes any other provision to the contrary:**

**When We do not Renew**

1. If we elect not to renew this Policy, we will mail or deliver to the first Named Insured shown in the Declarations and agent, if any, a notice of intention not to renew at least 45 days before the agreed expiration date.
2. We need not mail or deliver this notice if:
  - a. you have purchased insurance elsewhere;
  - b. you have accepted replacement coverage;
  - c. you have requested or agreed to non-renewal; or
  - d. this Policy is expressly designated as nonrenewable.

**D. The Concealment, Misrepresentation or Fraud Condition is replaced by the following:**

**Concealment, Misrepresentation or Fraud**

We will not pay for loss or damage in a case of:

1. concealment or misrepresentation of a material fact; or
2. fraud;

committed by you or any other insured, whether before or after the loss and relating to coverage of the loss under this Policy.

We will not pay for any loss or damage in any case if:

1. concealment or misrepresentation of a material fact; or
2. fraud;

is committed by you or any other insured in the application for this Policy.

**E. The following is added to section E. Conditions:**

1. Conformity with Montana statutes. The provisions of this Policy conform to the minimum requirements of Montana law and control over any conflicting statutes of any state in which you reside on or after the effective date of this Policy.
2. Any provision of this Policy (including endorsements which modify the Policy) that does not conform to the minimum requirements of a Montana statute is amended to conform to such statute.